

THE CUSTOMER WHISPERER | BY GREG BILLINGS

What I Learned in 50 Years

After working more than 50 years in a music store, I am retiring this month. It all started in August 1964. Riding the wave of Beatle-mania, my dad opened a guitar department in what was to me, a very boring piano and organ studio. As the carpenters finished remodeling, there were 30 Fender, Gibson and Gretsch guitars and about 20 Vox amps to be uncrated and set up. I guess Dad figured a 14 year old on summer vacation was just the man for the job. To this day, the smell of fresh lacquer instantly transports me back to that moment when the first guitar case was opened.



To be completely honest, it's not 50 straight years. There were few diversions; short stints as a musician, at a record distributor, a music publisher and as a road rep. But, all of the last 38 years have been on the front lines. There have been 15 stores — malls, warehouses, strips and free standing. In the '70s I nearly went broke in the organ business, being rescued by a kindly competitor, Verne Netzow, who treated me like a son and taught me how to run a profitable business.

Along the way I've learned a few things and made a few observations, which I humbly offer:

1.) Our willingness to teach each other, even among competitors, is astounding. In addition to Mr. Netzow and my dad, a short list of my mentors includes my first boss, Bob Zenoni (the original Uncle Bob of Uncle Bob's Music), Keith Mardak, Bob Jones, Larry Linkin, Nick Orlando, Dick Hanold, Tad Wegman, Henry Steinway, John Majeski, Lane Zastrow, Chuck Faas and Dennis Houlihan. There are two kinds of mentoring. One in which the mentor imparts advice and wisdom. The other is a more significant form and just requires proximity to a remarkable

person who is transparent. I have been blessed with more of the later than the former.

We really don't consider our peers to be mentors. But counsel and advice from Ron Carlson, Dave Slan, Mike Greene, Fred Forshey, Steve Datz, Ellen McDonald, Steve and Sherry Bird, Kathi Kretzer, Steve Thomas, Tom Schmitt, Bill McCormick and many others has

been invaluable. The generosity we show toward each other in the musical instrument industry is effervescent.

2.) The amount of talent and creativity among our retail sector is staggering. Of course, there are and have been geniuses on the supply side. Men like Ikutaro Kakehashi, Bob Taylor, Hartley Peavey, Keith Mardak, Leo Fender, Henry Steinway amongst others, are widely recognized. But in sheer numbers, most of the heavy lifting is done by ten thousand indie dealers striving everyday to succeed in a business where most who try, fail. My dad was one of them. I am one of them. My son is one of them.

3.) We think way too much about product. Every brand has dealers who succeed and dealers who fail. It is emerging products that present the greatest marketing challenge and the greatest profit potential. We need to think more about guiding customers through the decision making process and less about moving product.

4.) Even though our customers tell us that price is the most important thing, it usually isn't. Being satisfied with their purchase is what matters most. For a customer to feel satisfied, they are going to have to be able to use what they purchased to achieve what they

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intended, and know they were treated fairly in the process. That means every contact, from our first encounter to the last bit of support, is vitally important. Those among us who cut corners, perish.

5.) Most music stores have too much inventory. Customers usually become confused considering more than three choices.

Though I am leaving the daily regime of running the business, I shall continue to write about being a Customer Whisperer. I promise to write only as long as I serve that purpose.

My career has been a joy and a burden — like going to the best party in the world, only having to stay to clean up the mess. Still, I wouldn't trade my experience. We have crossed the precipice to a new era of retailing. It is time for me to get out of the way. The new path will be blazed by a new generation with the same enthusiasm and energy that I felt when I opened that guitar case and smelled fresh lacquer for the first time back in '64. **MI**

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LESSONS I LEARNED THE HARD WAY

- It doesn't matter what your competitors do. We all have the same set of challenges. It only matters what you do.
- Don't depend on offering the lowest price. There's always someone willing to sell cheaper. There's no such thing as enough volume to make up for low margin.
- There is nothing wrong with being the highest price store as long as you add value. Customers will respect you.
- The balance sheet is more important than the income statement.
- Inventory turn is as important as gross margin.
- Customers are important and employees are more important. Treat them fair, pay them well and they will crawl over crushed glass for you.
- The dynamic tension we endure with our suppliers is the fuel that sustains our industry. We are adversaries and must not be lulled into thinking we are partners.
- The energy and optimism of youth triumph over the experience and wisdom of the aged. Thus it has always been.



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